

In Re: Katrina M. Flowers)
Ward 44, Block 114, Parcel A37) Shelby County
Residential Property)
Tax year 2005)

The taxpayer also relied on the sale of a 3,198-square-foot unit on the same street (4019 Dumaine Way) for \$375,000 one year earlier.

The Assessor's representative introduced a grid showing the physical characteristics of the property under appeal and those of four other Woodlands units that sold between September, 2002 and December, 2004. The adjusted sale prices for those comparables ranged from \$460,000 to \$661,000. Based on this market analysis, Mr. Jackson recommended affirmation of the value determined by the county board.¹

Tenn. Code Ann. section 67-5-601(a) provides (in relevant part) that "[t]he value of all property shall be ascertained from the evidence of its sound, intrinsic and immediate value, for purposes of sale between a willing seller and a willing buyer without consideration of speculative values...."

Since the taxpayer seeks to change the present valuation of the subject property, she has the burden of proof in this administrative proceeding. State Board Rule 0600-1-.11(1).

To her credit, the appellant not only cited two recent sales of neighboring condominiums, but also identified certain features that would likely detract from the value of the subject property. But Mr. Jackson's research revealed that the March, 2004 sale of 4019 Dumaine was by the multiple heirs of an estate. Due to such factors as highly motivated sellers and limited exposure in the open market, estate sales tend to be unreliable indicators of market value.² See, e.g., Ernest B. Williams, III and Jane W. Williams (Shelby County, Tax Year 2005, Initial Decision and Order, July 24, 2006). And since the sale of 4009 Dumaine occurred *after* January 1, 2005, the sale price cannot be considered in the valuation of the subject property as of that date.³ Acme Boot Company & Ashland City Industrial Corporation (Cheatham County, Tax Year 1989, Final Decision and Order, August 7, 1990). Moreover, as the Assessor's representative pointed out, the transfer of that condominium by *special warranty deed* (with only a limited warranty against title defects) might well have affected the sale price.⁴

Ms. Flowers could not say with certainty that any of Mr. Jackson's comparables were among those Woodlands units which have been significantly upgraded since the time of original construction. Even assuming that all of the Assessor's comparables were superior in overall quality and/or condition, the fact remains that the subject property is currently appraised below the aforementioned range of adjusted sale prices.

Respectfully, for these reasons, the administrative judge cannot conclude that the county board's value was excessive.

¹Mr. Jackson personally inspected the subject property shortly before the hearing of this case.

²The record indicates that the current appraised value of 4019 Dumaine is \$521,900.

³Likewise of no relevance in this proceeding is the discovery of additional termite infestation in the front of Ms. Flowers' house in 2006.

⁴4009 Dumaine, which the appellant considered to be most comparable to the subject property, is currently appraised at \$515,200.

Order

It is, therefore, ORDERED that the following values be adopted for tax year 2005:

| LAND VALUE | IMPROVEMENT VALUE | TOTAL VALUE | ASSESSMENT |
|------------|-------------------|-------------|------------|
| \$33,000 | \$416,700 | \$449,700 | \$112,425 |

Pursuant to the Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-301—325, Tenn. Code Ann. § 67-5-1501, and the Rules of Contested Case Procedure of the State Board of Equalization, the parties are advised of the following remedies:

1. A party may appeal this decision and order to the Assessment Appeals Commission pursuant to Tenn. Code Ann. § 67-5-1501 and Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization. Tennessee Code Annotated § 67-5-1501(c) provides that an appeal **“must be filed within thirty (30) days from the date the initial decision is sent.”** Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization provides that the appeal be filed with the Executive Secretary of the State Board and that the appeal **“identify the allegedly erroneous finding(s) of fact and/or conclusion(s) of law in the initial order”**; or
2. A party may petition for reconsideration of this decision and order pursuant to Tenn. Code Ann. § 4-5-317 within fifteen (15) days of the entry of the order. The petition for reconsideration must state the specific grounds upon which relief is requested. The filing of a petition for reconsideration is not a prerequisite for seeking administrative or judicial review.

This order does not become final until an official certificate is issued by the Assessment Appeals Commission. Official certificates are normally issued seventy-five (75) days after the entry of the initial decision and order if no party has appealed.

ENTERED this 18th day of August, 2006.



PETE LOESCH
ADMINISTRATIVE JUDGE
TENNESSEE DEPARTMENT OF STATE
ADMINISTRATIVE PROCEDURES DIVISION

cc: Katrina M. Flowers
Tameaka Stanton-Riley, Appeals Manager, Shelby County Assessor's Office